

THE SUGAR DEAL: CON

GOVERNOR CRIST'S EVERGLADES LAND BUY COSTS TOO MUCH, WON'T DO THE JOB

BY MICHAEL COLLINS

There have been many “signings” concerning the Florida Everglades. For over half a century, politicians have sought to place their signature on one of God’s great works. Some of those imprints have begun to help restore the famed “River of Grass.” Others have placed it directly in harm’s way.

There was perhaps no more profound signing than the one that took place in late 2000, when an amazingly cordial meeting took place in the Oval Office as President Bill Clinton and Florida Governor Jeb Bush placed their signatures on the Comprehensive Everglades Restoration Plan (CERP)—an \$8 billion blueprint for Everglades Restoration that had been sought for a generation—and which had behind it a historic

consensus of all stakeholders, including environmentalists, farmers, and local communities.

Just a mile and a half from where these two men were meeting, the U.S. Supreme Court was hearing argu-

ments that would decide who our next President would be—Bill Clinton’s Vice President or Jeb Bush’s brother. At this signing there was no press to capture the moment, and poli-

tics and ambition were put aside for the greater good.

CERP—and the years-long consensus building process that it resulted from—ended decades of expensive litigation and finger-pointing that had kept real and needed restoration from occurring. The State of Florida did not wait for the ink to

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Jeb Bush signs an Everglades restoration agreement in 2004.

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dry. At Governor Bush's direction, the Florida Department of Environmental Protection (DEP) and the South Florida Water Management District (SFWMD) went into full swing, implementing the newly-minted plan. The state began buying key parcels of land identified in the plan for restoration projects. Money was bonded for the purchases, project designs were finalized and approved, and bids were taken for ambitious projects—including the world's largest reservoir to be built for the primary benefit of the environment. And yes, hundred of millions of dollars were being spent because Florida had the money to fund these projects since the coffers were full—a result of a then-strong economy. Everglades Restoration was on a roll.

Unfortunately today, for the first time since the truly historic Oval Office signing, there is no Everglades restoration occurring. The once loud machines that were moving earth to create reservoirs and filter-marshes for restoration are silent. The hundreds of jobs that were created to build restoration projects are gone. And the \$1.5 billion taxpayer investment that was spent pursuing worthwhile comprehensive restoration is at risk of being wasted.

Why? Because Governor Charlie Crist chose to substitute his idea for Everglades restoration for the collective wisdom of literally hundreds of experts and stakeholders who helped devise a comprehensive plan that was approved by the Florida Legisla-

ture and the United States Congress and approved by the sitting Governor and President.

In fact, just before Governor Crist held a press event where he placed his signature on his U.S. Sugar Corp. buyout idea, work was stopped on the very projects for which nearly a \$1.5 billion had already been spent. These projects were cancelled in an effort to have funds available to put towards Governor Crist's U.S. Sugar buyout. In fact, the SFWMD Governing Board, now fully controlled by Crist appointees, recently approved a \$25 million settlement payment to the company that was building one of the projects as damages for cancelling the contract—\$25 million tax dollars wasted during the worse economic downturns in most of our lifetimes.

Ironically, the project that was cancelled was once hailed by those who support's Crist's U.S. Sugar buyout as "the linchpin of our efforts to restore and protect the Everglades ecosystem." If the U.S. Sugar deal goes through, that linchpin, and the \$300 million tax dollars spent on it—will be relegated to the dustbin.

That's because the fiscal reality is that doing the U.S. Sugar deal and completing the projects started under Governor Bush are mutually exclusive propositions. There simply isn't enough money to do both the consensus plan that was in motion, and Crist's U.S. Sugar deal. Anyone who pretends otherwise is either not telling the truth, or quietly planning

to raise property taxes in 16 Florida counties that are within the boundaries of the SFWMD.

Crist's U.S. Sugar deal is bad environmental policy, bad fiscal policy, and anti-free market. It is bad environmental policy because the state and the SFWMD have absolutely no plan for what to do with the land if they buy it—and no money to build any type of restoration project on the land once they own it. The deal was originally pitched as an opportunity to create a “flow-way” between Lake Okeechobee and the Everglades. Other far-flung U.S. Sugar lands would be sold, traded or used for yet to be determined restoration projects. There are three problems with this:

First, numerous studies—including one by the SFWMD that came out just weeks before Crist's U.S. Sugar announcement—have concluded that creating such a flow-way is a hydrological impossibility.

Second, while U.S. Sugar owns a portion of the land in the path of the flow-way, most of that land is owned by other companies that Crist and U.S. Sugar excluded from negotiations.

And third, when the proposed buyout was downscaled for financial reasons, U.S. Sugar retained virtually all of the land in the coveted “flow-way” for possible future purchase by the state—leaving the state with all of the land it didn't want in the first place, and almost none of what


was originally touted as the primary objective of the purchase.

Former Governor Jeb Bush summed it up best when he told the *New York Times*: “To replace projects that were under way for a possibility of a project decades from now is not a good trade. On a net basis, this appears to me there has been a replacement of science-based environmental policy for photo-op environmental policy.”


Crist's U.S. Sugar deal is bad fiscal policy for several reasons. First, given the current economic and fiscal realities, it cannot be done without compromising the SFWMD's ability to fulfill its core mission, which is water supply and flood control for 7.5 million people who live from Orlando to Key West. It is the agency charged with managing the flood control

structures, including dikes, dams, and levees that contain Lake Okeechobee and protect communities to the south. This is not just my opinion; it is also the written opinion of the SFWMD's own financial advisor.

Second, according to the *New York Times*, the acquisition costs for the U.S. Sugar deal are based on appraisals that used land values from the height of the real estate boom. If Charlie Crist gets his way, taxpayers will have to pay historically high land prices during the worst real estate recession in generations. Consider the fact that the state bought slightly more



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acreage of the spectacularly pristine Babcock Ranch in boom year 2006 for \$350 million, and that the deal being contemplated today is for fewer acres of muck farms and diseased orange groves at a cost of over \$500 million today—in the midst of a historic real estate bust.

And third, in the words of Crist's hand-picked chairman of the SFWMD, the U.S. Sugar Deal "would max out our credit card." This means the District will have no money to even be able to consider other worthwhile environmental preservation or restoration efforts, or water supply and water quality projects for decades. The U.S. Sugar deal is killing worthwhile projects that have yet to be envisioned.

The U.S. Sugar deal costs money we don't have, for land we don't need, for projects yet to be determined, at a cost that has not been determined, and a benefit that has yet to be demonstrated.

Finally, Crist's U.S. Sugar deal is anti-free market because it provides a half-billion tax dollars to a single company, and then since the government cannot afford to do anything with the land for decades, it leases all of the land back to U.S. Sugar. Much of this land is leased back to the company for free and the rest at below-market rates—for U.S. Sugar to continue business as usual, but with the competitive advantage of having a half-billion capital infusion from the government. GM executives were never so bold.

Why didn't the government negotiate a better and fairer arrangement

for taxpayers? Why was there no competitive bid for land leases? Why were no land trades negotiated with other landowners so the government could get more of the land it wants for future restoration? Because even SFWMD leaders admit that U.S. Sugar was in the driver's seat of the negotiations.

For years I battled as the only remaining Bush appointee on the Governing Board of the SFWMD. Today, the board is entirely comprised of those appointed by Governor Crist. When asked by the *St. Petersburg Times* if he applied a litmus test of support for his U.S. Sugar deal to those who applied for the seat I held, Governor Crist crassly admitted, "I did that personally. Damn right."

We have a choice to make concerning the Everglades. Do we support bi-partisan policy supported by Governor Jeb Bush? Or do we support unilateral policy supported by Governor Crist and U.S. Sugar Corporation? I know where I will sign my name. ☞

Michael Collins served on the Governing Board of the South Florida Water Management District from 1999 to 2010. He was Chairman of the Board from 1999 to 2001, during the time the Florida Legislature and U.S. Congress passed the Comprehensive Everglades Restoration Plan (CERP). From 1993 until 1998 he served on the Governor's Commission for a Sustainable South Florida, the bi-partisan group that developed the plan that became CERP. He and his wife Kym reside in Islamorada. He is a semi-retired fishing guide.